

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**UNITED STATES POSTAL SERVICE NOTICE
OF REVISIONS TO THE STATEMENT OF STEPHEN NICKERSON -- ERRATA**
(October 25, 2013)

On September 26, 2013, the Postal Service filed its renewed Request for Exigent Relief, which was docketed by the Commission as Docket No. R2013-11. The Postal Service hereby provides notice of very minor changes to the Statement of Stephen Nickerson. These changes flow from revisions to folders 7, 11, and NP1. Folders 7 and NP1 present the public and non-public versions, respectively, of the Product Cost and Contribution Estimation Model (PCCEM). The PCCEM changes revise an incorrect distribution key for FedEx contract savings, and also correct errors in the Final Adjustments, mostly relating to domestic Insurance. Folder 11 presents the Calculation of Lost Contribution from Recession-Related Volume Losses, and the change is to fix an error made when pulling the unit contribution figure from the FY12 ACD for Standard Mail Non-Flat Machineables and Parcels. While the effects of these changes are not entirely trivial, they are minor, and none affect any rates or have any material effect on either the need for or the explanation of the exigent increases.

The specific revisions to the Statement of Stephen Nickerson are as follows:

Text

Page 3, Table 2, title of table, change “(in thousands)” to “(in millions)”

Page 3, Table 2, Contribution column

First row, change “(\$1,249)” to “(\$1,246)”

Second row, change “(\$3,642)” to “(\$3,634)”

Third row, change “(\$4,825)” to “(\$4,816)”

Fourth row, change “(\$5,780)” to “(\$5,770)”

Fifth row, change “(\$6,654)” to “(\$6,644)”

Page 4, footnote 2, sixth line, change “\$3.642 billion” to “\$3.634 billion”

Page 4, footnote 2, seventh line, change “\$6.654” to “\$6.644”

Attachments

Attachments 10-14 and 24-28 are also revised to reflect the minor changes in the PCCM.

Copies of revised text pages 3-4, and revised Attachments 10 – 14 and 24 - 28, with revised cells in Tables and Attachments highlighted in gray or yellow, are attached to this pleading. An errata notice for related changes in folders 7, 11, and NP1 is being

filed separately today. Conforming revisions to the Exigent Request will be filed shortly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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October 25, 2013

will continue to pursue going forward. I close by explaining the models and calculations underlying the projections provided herein.

III. Contribution Lost Due to the Recession

In his statement, Thomas Thress updates the estimate he provided in November 2011 of the amount of mail volume that the Postal Service has lost due to the recession. His updated estimates are reproduced in the table below:

Table 1
Exigent Volume Losses (in millions), FY 2008 – FY 2012

	Volume
FY 2008	(11,061)
FY 2008 thru 2009	(34,759)
FY 2008 thru 2010	(42,333)
FY 2008 thru 2011	(47,981)
FY 2008 thru 2012	(53,546)

In November 2011, Virginia Mayes converted Mr. Thress's volume losses into lost revenue and contribution.¹ Below, I update that calculation into FY 2012 terms, using Mr. Thress's updated volume losses and figures from the FY 2012 Annual Compliance Determination:

Table 2
Exigent Revenue and Contribution Losses (in millions),
FY 2008 – FY 2012

	Volume	Revenue	Contribution
FY 2008	(11,061)	(\$3,398)	(\$1,246)
FY 2008 thru 2009	(34,759)	(\$9,973)	(\$3,634)
FY 2008 thru 2010	(42,333)	(\$12,763)	(\$4,816)
FY 2008 thru 2011	(47,981)	(\$14,898)	(\$5,770)
FY 2008 thru 2012	(53,546)	(\$16,883)	(\$6,644)

¹ Statement of Virginia J. Mayes, Docket No. R2010-4R (Nov. 21, 2011).

IV. Expected Contribution Gain from Proposed Prices

The contribution loss due to volume declines caused by the recession during the 2008 – 2012 period is over \$6.6 billion.² This represents a continuing loss of annual volume, revenue and contribution. As discussed in section VI, the Postal Service made numerous cost reductions in response to the revenue loss, which have allowed it to maintain a minimal level of liquidity (excepting defaults on retiree health benefits (RHB) prefunding requirements). However, even as cost reductions are implemented, this level of liquidity is intolerably low and must, under prudent management, be increased.

The Governors have therefore determined that, in the absence of legislation, it is necessary to seek additional contribution through an exigent price increase. However, they have determined that it would not be prudent to request a price increase in 2014 to replace 100 percent of the contribution lost through the recession, out of concern for the potential adverse effects that such a large price increase could have on mailers. The Postal Service's intent in requesting this exigent price increase is to strike a balance between this concern and the Postal Service's need for additional liquidity to satisfy current and future financial demands. The result of this balancing is the Postal Service's proposal to raise market dominant prices by 4.3 percent, on top of the price increases within the price cap set forth in Docket No. R2013-10. The Docket No.

² The above quantification of lost contribution reflects the value in FY2012 of lost contribution from recession-related volume losses, based as it is on unit contribution figures from the FY2012 ACD. In fact, when the same volume losses are evaluated using unit contribution figures from FY2014, the time period I use to estimate the value of the new contribution from the exigent price adjustments, the harm estimates are even higher. For example, the estimated contribution loss from Market Dominant volumes lost in FY08-FY09 increases from \$3.634 billion in FY2012 terms to \$4.257 billion in FY2014 terms, and the estimated contribution loss from volume lost over the entire FY08-FY12 period increases from \$6.644 billion to \$7.669 billion. The FY14 Before-Rates unit contribution figures used for these estimates are those appearing in my Attachment 10 below, and full details on both sets of calculations (using FY12 ACD and FY14BR unit contributions) can be found in the spreadsheet provided in USPS-R2010-4R/11.

**US Postal Service
R2010-4R**

**Attachment 10
REVISED: 10/25/13**

Contribution by Class of Mail - FY2014 Before Rates

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,517	19,993	\$5,171	\$5,135	\$37	\$0.476	\$0.259	\$0.217	184.0%
Single Piece Postcards	4	\$336	980	\$235	\$233	\$2	\$0.343	\$0.240	\$0.103	143.0%
Total Single Piece Letters and Cards	5	\$9,854	20,973	\$5,406	\$5,368	\$39	\$0.470	\$0.258	\$0.212	182.3%
Presort Letters	8	\$13,870	37,095	\$4,343	\$4,326	\$17	\$0.374	\$0.117	\$0.257	319.4%
Presort Postcards	9	\$568	2,325	\$183	\$182	\$1	\$0.244	\$0.079	\$0.166	310.8%
Total Presort Letters and Cards	10	\$14,438	39,420	\$4,526	\$4,507	\$18	\$0.366	\$0.115	\$0.251	319.0%
Flats	14	\$2,380	1,795	\$1,480	\$1,479	\$1	\$1.326	\$0.825	\$0.501	160.8%
Parcels	19	\$616	257	\$544	\$544	\$0	\$2.402	\$2.121	\$0.281	113.2%
Fees	18	\$132	0	\$0	\$0	\$0				
Total First-Class	100	\$27,420	62,444	\$11,956	\$11,898	\$58	\$0.439	\$0.191	\$0.248	229.3%
Standard Mail										
High Density and Saturation Letters	21	\$809	5,619	\$331	\$327	\$4	\$0.144	\$0.059	\$0.085	244.2%
High Density and Saturation Flats and Parcels	22	\$2,108	12,496	\$919	\$910	\$9	\$0.169	\$0.074	\$0.095	229.2%
Carrier Route	23	\$2,443	9,652	\$1,728	\$1,721	\$7	\$0.253	\$0.179	\$0.074	141.4%
Letters	25	\$9,722	48,432	\$4,977	\$4,941	\$36	\$0.201	\$0.103	\$0.098	195.3%
Flats	26	\$2,168	5,588	\$2,444	\$2,440	\$5	\$0.388	\$0.437	-\$0.049	88.7%
Not Flat-Machinables and Parcels	27	\$69	69	\$74	\$74	\$0	\$1.005	\$1.072	-\$0.067	93.7%
Fees	29	\$57	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,376	81,856	\$10,475	\$10,413	\$61	\$0.212	\$0.128	\$0.084	165.9%
Periodicals										
In County	31	\$63	577	\$83	\$83	\$0	\$0.109	\$0.144	-\$0.035	75.9%
Outside County	32	\$1,548	5,553	\$1,989	\$1,989	\$1	\$0.279	\$0.358	-\$0.080	77.8%
Fees	39	\$7	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,618	6,130	\$2,073	\$2,072	\$1	\$0.264	\$0.338	-\$0.074	78.1%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$686	\$686	\$0	\$14.480	\$13.732	\$0.749	105.5%
Bound Printed Matter Flats	42	\$187	232	\$132	\$132	\$0	\$0.805	\$0.569	\$0.236	141.5%
Bound Printed Matter Parcels	43	\$284	221	\$248	\$248	\$0	\$1.284	\$1.120	\$0.164	114.7%
Media and Library Mail	44	\$287	85	\$317	\$317	\$0	\$3.363	\$3.713	-\$0.350	90.6%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,483	588	\$1,383	\$1,383	\$0	\$2.521	\$2.350	\$0.171	107.3%
U.S. Postal Service	125	\$0	463	\$0	\$0	\$0	\$0.000	\$0.000		
Free Mail	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.658		
Total Domestic Market Dominant Mail	135	\$47,897	151,535	\$25,921	\$25,801	\$120	\$0.316	\$0.171	\$0.145	184.8%
Special Services										
Ancillary Services										
Certified	51	\$714	0	\$593	\$593	\$0	\$3.101			
COD	52	\$4	0	\$2	\$2	\$0	\$9.414			
Insurance	54	\$100	0	\$73	\$73	\$0	\$3.861			
Registered Mail	55	\$29	0	\$18	\$18	\$0	\$17.337			
Stamped Envelopes	56	\$19	0	\$6	\$6	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$512	0	\$472	\$472	\$1	\$0.198			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$98	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$152	0	\$96	\$93	\$3	\$1.574			
Post Office Box Service	74	\$375	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,039	0	\$1,577	\$1,561	\$16	\$0.694			
Total Domestic Market Dominant Attributable Costs	143	\$49,936	151,535	\$27,498	\$27,362	\$136	\$0.323	\$0.178	\$0.145	181.6%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,350	\$8,232	\$118	\$3.832	\$2.656	\$1.176	144.3%
INTERNATIONAL MAIL AND SERVICES	185	\$3,059	869	\$1,895	\$1,831	\$64	\$3.520	\$2.181	\$1.339	161.4%
TOTAL ATTRIBUTABLE COSTS	198	\$65,042	155,547	\$37,743	\$37,425	\$318	\$0.410	\$0.238	\$0.172	172.3%
OTHER COSTS	199	\$820	0	\$34,823	\$35,141	-\$318				
TOTAL COSTS	200	\$65,863	155,547	\$72,566	\$72,566	\$0				

**US Postal Service
R2010-4R
Contribution by Class of Mail - FY2014 After Rates - CPI 1.6%
(January 26, 2014 Implementation)**

**Attachment 11
REVISED: 10/25/13**

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,582	19,978	\$5,171	\$5,134	\$37	\$0.480	\$0.259	\$0.221	185.3%
Single Piece Postcards	4	\$336	980	\$235	\$233	\$2	\$0.343	\$0.240	\$0.103	143.0%
Total Single Piece Letters and Cards	5	\$9,918	20,958	\$5,406	\$5,367	\$39	\$0.473	\$0.258	\$0.215	183.5%
Presort Letters	8	\$13,952	36,980	\$4,332	\$4,315	\$17	\$0.377	\$0.117	\$0.260	322.1%
Presort Postcards	9	\$575	2,313	\$182	\$181	\$1	\$0.249	\$0.079	\$0.170	316.3%
Total Presort Letters and Cards	10	\$14,527	39,293	\$4,514	\$4,496	\$18	\$0.370	\$0.115	\$0.255	321.8%
Flats	14	\$2,395	1,793	\$1,479	\$1,478	\$1	\$1.336	\$0.825	\$0.511	161.9%
Parcels	19	\$630	252	\$535	\$534	\$0	\$2.502	\$2.122	\$0.379	117.9%
Fees	18	\$133	0	\$0	\$0	\$0				
Total First-Class	100	\$27,603	62,295	\$11,934	\$11,876	\$58	\$0.443	\$0.192	\$0.252	231.3%
Standard Mail										
High Density and Saturation Letters	21	\$811	5,601	\$330	\$326	\$4	\$0.145	\$0.059	\$0.086	245.3%
High Density and Saturation Flats and Parcels	22	\$2,114	12,459	\$917	\$908	\$9	\$0.170	\$0.074	\$0.096	230.5%
Carrier Route	23	\$2,460	9,614	\$1,723	\$1,716	\$7	\$0.256	\$0.179	\$0.077	142.8%
Letters	25	\$9,777	48,271	\$4,964	\$4,928	\$36	\$0.203	\$0.103	\$0.100	197.0%
Flats	26	\$2,186	5,566	\$2,437	\$2,432	\$5	\$0.393	\$0.438	-\$0.045	89.7%
Not Flat-Machinables and Parcels	27	\$70	69	\$74	\$73	\$0	\$1.017	\$1.073	-\$0.056	94.8%
Fees	29	\$57	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,474	81,579	\$10,444	\$10,383	\$61	\$0.214	\$0.128	\$0.086	167.3%
Periodicals										
In County	31	\$64	577	\$83	\$83	\$0	\$0.111	\$0.144	-\$0.034	76.7%
Outside County	32	\$1,562	5,548	\$1,989	\$1,988	\$1	\$0.281	\$0.358	-\$0.077	78.5%
Fees	39	\$7	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,633	6,125	\$2,072	\$2,071	\$1	\$0.267	\$0.338	-\$0.072	78.8%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$686	\$686	\$0	\$14.487	\$13.738	\$0.750	105.5%
Bound Printed Matter Flats	42	\$187	232	\$132	\$132	\$0	\$0.807	\$0.569	\$0.237	141.7%
Bound Printed Matter Parcels	43	\$286	220	\$247	\$247	\$0	\$1.299	\$1.121	\$0.178	115.9%
Media and Library Mail	44	\$289	85	\$315	\$315	\$0	\$3.409	\$3.715	-\$0.306	91.8%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,488	587	\$1,380	\$1,380	\$0	\$2.535	\$2.352	\$0.183	107.8%
U.S. Postal Service										
Free Mail	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.659		
Total Domestic Market Dominant Mail	135	\$48,198	151,101	\$25,865	\$25,744	\$120	\$0.319	\$0.171	\$0.148	186.3%
Special Services										
Ancillary Services										
Certified	51	\$721	0	\$593	\$592	\$0	\$3.135			
COD	52	\$4	0	\$2	\$2	\$0	\$9.677			
Insurance	54	\$102	0	\$73	\$73	\$0	\$3.934			
Registered Mail	55	\$30	0	\$18	\$18	\$0	\$17.590			
Stamped Envelopes	56	\$19	0	\$6	\$6	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$504	0	\$451	\$450	\$1	\$0.200			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$99	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$152	0	\$96	\$93	\$3	\$1.574			
Post Office Box Service	74	\$381	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,047	0	\$1,555	\$1,539	\$16	\$0.712			
Total Domestic Market Dominant Attributable Costs	143	\$50,245	151,101	\$27,420	\$27,283	\$136	\$0.326	\$0.178	\$0.148	183.2%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,354	\$8,236	\$118	\$3.832	\$2.657	\$1.175	144.2%
INTERNATIONAL MAIL AND SERVICES										
TOTAL ATTRIBUTABLE COSTS	198	\$65,354	155,112	\$37,666	\$37,349	\$318	\$0.414	\$0.238	\$0.175	173.5%
OTHER COSTS	199	\$820	0	\$34,832	\$35,150	-\$318				
TOTAL COSTS	200	\$66,174	155,112	\$72,498	\$72,498	\$0				

US Postal Service

R2010-4R

Contribution by Class of Mail - FY2014 After Rates CPI - 1.6% - Full Year

(October 1, 2013 Implementation)

Attachment 12

REVISED: 10/25/13

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,616	19,966	\$5,170	\$5,133	\$37	\$0.482	\$0.259	\$0.223	186.0%
Single Piece Postcards	4	\$337	980	\$235	\$233	\$2	\$0.344	\$0.240	\$0.103	143.0%
Total Single Piece Letters and Cards	5	\$9,953	20,946	\$5,405	\$5,366	\$39	\$0.475	\$0.258	\$0.217	184.1%
Presort Letters	8	\$13,987	36,913	\$4,326	\$4,309	\$17	\$0.379	\$0.117	\$0.262	323.3%
Presort Postcards	9	\$578	2,306	\$181	\$180	\$1	\$0.251	\$0.079	\$0.172	318.9%
Total Presort Letters and Cards	10	\$14,565	39,218	\$4,507	\$4,489	\$18	\$0.371	\$0.115	\$0.256	323.2%
Flats	14	\$2,403	1,791	\$1,479	\$1,478	\$1	\$1.341	\$0.825	\$0.516	162.5%
Parcels	19	\$638	250	\$530	\$530	\$0	\$2.554	\$2.123	\$0.431	120.3%
Fees	18	\$133	0	\$0	\$0	\$0				
Total First-Class	100	\$27,692	62,206	\$11,921	\$11,863	\$58	\$0.445	\$0.192	\$0.254	232.3%
Standard Mail										
High Density and Saturation Letters	21	\$811	5,589	\$330	\$326	\$4	\$0.145	\$0.059	\$0.086	245.8%
High Density and Saturation Flats and Parcels	22	\$2,116	12,433	\$916	\$907	\$9	\$0.170	\$0.074	\$0.097	231.1%
Carrier Route	23	\$2,467	9,588	\$1,719	\$1,712	\$7	\$0.257	\$0.179	\$0.078	143.5%
Letters	25	\$9,798	48,164	\$4,955	\$4,918	\$36	\$0.203	\$0.103	\$0.101	197.8%
Flats	26	\$2,193	5,551	\$2,431	\$2,427	\$5	\$0.395	\$0.438	-\$0.043	90.2%
Not Flat-Machinables and Parcels	27	\$70	68	\$73	\$73	\$0	\$1.023	\$1.073	-\$0.050	95.3%
Fees	29	\$57	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,512	81,395	\$10,424	\$10,362	\$61	\$0.215	\$0.128	\$0.087	168.0%
Periodicals										
In County	31	\$64	577	\$83	\$83	\$0	\$0.111	\$0.144	-\$0.033	77.1%
Outside County	32	\$1,568	5,545	\$1,989	\$1,988	\$1	\$0.283	\$0.359	-\$0.076	78.9%
Fees	39	\$7	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,640	6,122	\$2,072	\$2,071	\$1	\$0.268	\$0.338	-\$0.071	79.2%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$686	\$686	\$0	\$14.491	\$13.741	\$0.750	105.5%
Bound Printed Matter Flats	42	\$187	231	\$132	\$132	\$0	\$0.808	\$0.570	\$0.238	141.8%
Bound Printed Matter Parcels	43	\$287	220	\$246	\$246	\$0	\$1.306	\$1.121	\$0.185	116.5%
Media and Library Mail	44	\$289	84	\$313	\$313	\$0	\$3.432	\$3.717	-\$0.284	92.4%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,489	585	\$1,378	\$1,378	\$0	\$2.544	\$2.354	\$0.190	108.1%
U.S. Postal Service										
Free Mail	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.659		
Total Domestic Market Dominant Mail	135	\$48,333	150,823	\$25,829	\$25,708	\$120	\$0.320	\$0.171	\$0.149	187.1%
Special Services										
Ancillary Services										
Certified	51	\$724	0	\$592	\$592	\$0	\$3.151			
COD	52	\$4	0	\$2	\$2	\$0	\$9.805			
Insurance	54	\$103	0	\$73	\$73	\$0	\$3.979			
Registered Mail	55	\$30	0	\$18	\$18	\$0	\$17.715			
Stamped Envelopes	56	\$19	0	\$6	\$6	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$500	0	\$440	\$439	\$1	\$0.201			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$100	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$152	0	\$96	\$93	\$3	\$1.574			
Post Office Box Service	74	\$383	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,050	0	\$1,544	\$1,528	\$16	\$0.722			
Total Domestic Market Dominant Attributable Costs	143	\$50,383	150,823	\$27,372	\$27,236	\$136	\$0.328	\$0.178	\$0.150	184.1%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,356	\$8,238	\$118	\$3.832	\$2.658	\$1.174	144.2%
INTERNATIONAL MAIL AND SERVICES										
	185	\$3,062	867	\$1,892	\$1,828	\$64	\$3.531	\$2.182	\$1.349	161.8%
TOTAL ATTRIBUTABLE COSTS	198	\$65,492	154,834	\$37,620	\$37,302	\$318	\$0.415	\$0.239	\$0.177	174.1%
OTHER COSTS	199	\$820	0	\$34,837	\$35,155	-\$318				
TOTAL COSTS	200	\$66,313	154,834	\$72,458	\$72,458	\$0				

REVISED: 10/25/13

CPI 1.6% - MARKET DOMINANT RATE INCREASE

MAILING SERVICE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2014	FY2014	FY2014	FY2014	FY2014	FY2014
January 26, 2014 Implementation	Revenue	Volume	Attributable Cost	Contribution	Cost
	(000's)	(000's)	(000's)	(000's)	Coverage
First Class Mail					
Current Prices	\$ 27,419,815	62,444,044	\$ 11,956,315	\$ 15,463,501	229.3%
New Prices	\$ 27,603,451	62,295,216	\$ 11,933,835	\$ 15,669,616	231.3%
Change	\$ 183,636	(148,827)	\$ (22,480)	\$ 206,116	
Standard Mail					
Current Prices	\$ 17,375,949	81,856,429	\$ 10,474,828	\$ 6,901,121	165.9%
New Prices	\$ 17,474,371	81,578,886	\$ 10,444,338	\$ 7,030,033	167.3%
Change	\$ 98,422	(277,543)	\$ (30,491)	\$ 128,913	
Periodicals					
Current Prices	\$ 1,618,401	6,130,490	\$ 2,072,626	\$ (454,225)	78.1%
New Prices	\$ 1,632,801	6,124,648	\$ 2,071,996	\$ (439,195)	78.8%
Change	\$ 14,401	(5,842)	\$ (630)	\$ 15,030	
Package Services					
Current Prices	\$ 792,132	539,557	\$ 711,252	\$ 80,880	111.4%
New Prices	\$ 796,538	537,907	\$ 708,243	\$ 88,295	112.5%
Change	\$ 4,407	(1,651)	\$ (3,008)	\$ 7,415	
Total Domestic Special Services					
Current Prices	\$ 2,038,703	-	\$ 1,576,966	\$ 461,737	129.3%
New Prices	\$ 2,047,094	-	\$ 1,555,017	\$ 492,076	131.6%
Change	\$ 8,391		\$ (21,948)	\$ 30,339	
International					
Current Prices	\$ 596,795	576,179	\$ 758,755	\$ (161,960)	78.7%
New Prices	\$ 598,595	575,118	\$ 758,048	\$ (159,452)	79.0%
Change	\$ 1,800	(1,062)	\$ (707)	\$ 2,507	
Total Market Dominant Products (Current)	\$ 49,841,795	151,546,699	\$ 27,550,742	\$ 22,291,054	180.9%
Total Market Dominant Products (New)	\$ 50,152,852	151,111,774	\$ 27,471,478	\$ 22,681,374	182.6%
Differences	\$ 311,056	(434,924)	\$ (79,264)	\$ 390,321	

* Excludes Free Mail and US Postal Mail

CPI 1.6% - MARKET DOMINANT RATE INCREASE

MAILING SERVICE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2014	FY2014	FY2014	FY2014	FY2014	FY2014
<i>October 1, 2013 Implementation</i>	Revenue	Volume	Attributable Cost	Contribution	Cost
	(000's)	(000's)	(000's)	(000's)	Coverage
First Class Mail					
Current Prices	\$ 27,419,815	62,444,044	\$ 11,956,315	\$ 15,463,501	229.3%
New Prices	\$ 27,692,010	62,205,622	\$ 11,920,699	\$ 15,771,311	232.3%
Change	\$ 272,195	(238,422)	\$ (35,615)	\$ 307,810	
Standard Mail					
Current Prices	\$ 17,375,949	81,856,429	\$ 10,474,828	\$ 6,901,121	165.9%
New Prices	\$ 17,512,078	81,394,621	\$ 10,423,622	\$ 7,088,456	168.0%
Change	\$ 136,129	(461,807)	\$ (51,206)	\$ 187,335	
Periodicals					
Current Prices	\$ 1,618,401	6,130,490	\$ 2,072,626	\$ (454,225)	78.1%
New Prices	\$ 1,639,915	6,121,808	\$ 2,071,845	\$ (431,930)	79.2%
Change	\$ 21,514	(8,682)	\$ (781)	\$ 22,295	
Package Services					
Current Prices	\$ 792,132	539,557	\$ 711,252	\$ 80,880	111.4%
New Prices	\$ 798,004	536,617	\$ 706,160	\$ 91,844	113.0%
Change	\$ 5,872	(2,940)	\$ (5,092)	\$ 10,964	
Total Domestic Special Services					
Current Prices	\$ 2,038,703	-	\$ 1,576,966	\$ 461,737	129.3%
New Prices	\$ 2,050,024	-	\$ 1,543,754	\$ 506,270	132.8%
Change	\$ 11,321		\$ (33,212)	\$ 44,533	
International					
Current Prices	\$ 596,795	576,179	\$ 758,755	\$ (161,960)	78.7%
New Prices	\$ 599,691	574,447	\$ 757,594	\$ (157,902)	79.2%
Change	\$ 2,896	(1,732)	\$ (1,161)	\$ 4,058	
Total Market Dominant Products (Current)	\$ 49,841,795	151,546,699	\$ 27,550,742	\$ 22,291,054	180.9%
Total Market Dominant Products (New)	\$ 50,291,723	150,833,115	\$ 27,423,674	\$ 22,868,048	183.4%
Differences	\$ 449,928	(713,583)	\$ (127,067)	\$ 576,995	

* Excludes Free Mail and US Postal Mail

**US Postal Service
R2010-4R**

**Attachment 24
REVISED: 10/25/13**

Contribution by Class of Mail - FY2014 Before Rates

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,517	19,993	\$5,171	\$5,135	\$37	\$0.476	\$0.259	\$0.217	184.0%
Single Piece Postcards	4	\$336	980	\$235	\$233	\$2	\$0.343	\$0.240	\$0.103	143.0%
Total Single Piece Letters and Cards	5	\$9,854	20,973	\$5,406	\$5,368	\$39	\$0.470	\$0.258	\$0.212	182.3%
Presort Letters	8	\$13,870	37,095	\$4,343	\$4,326	\$17	\$0.374	\$0.117	\$0.257	319.4%
Presort Postcards	9	\$568	2,325	\$183	\$182	\$1	\$0.244	\$0.079	\$0.166	310.8%
Total Presort Letters and Cards	10	\$14,438	39,420	\$4,526	\$4,507	\$18	\$0.366	\$0.115	\$0.251	319.0%
Flats	14	\$2,380	1,795	\$1,480	\$1,479	\$1	\$1.326	\$0.825	\$0.501	160.8%
Parcels	19	\$616	257	\$544	\$544	\$0	\$2.402	\$2.121	\$0.281	113.2%
Fees	18	\$132	0	\$0	\$0	\$0				
Total First-Class	100	\$27,420	62,444	\$11,956	\$11,898	\$58	\$0.439	\$0.191	\$0.248	229.3%
Standard Mail										
High Density and Saturation Letters	21	\$809	5,619	\$331	\$327	\$4	\$0.144	\$0.059	\$0.085	244.2%
High Density and Saturation Flats and Parcels	22	\$2,108	12,496	\$919	\$910	\$9	\$0.169	\$0.074	\$0.095	229.2%
Carrier Route	23	\$2,443	9,652	\$1,728	\$1,721	\$7	\$0.253	\$0.179	\$0.074	141.4%
Letters	25	\$9,722	48,432	\$4,977	\$4,941	\$36	\$0.201	\$0.103	\$0.098	195.3%
Flats	26	\$2,168	5,588	\$2,444	\$2,440	\$5	\$0.388	\$0.437	-\$0.049	88.7%
Not Flat-Machinables and Parcels	27	\$69	69	\$74	\$74	\$0	\$1.005	\$1.072	-\$0.067	93.7%
Fees	29	\$57	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,376	81,856	\$10,475	\$10,413	\$61	\$0.212	\$0.128	\$0.084	165.9%
Periodicals										
In County	31	\$63	577	\$83	\$83	\$0	\$0.109	\$0.144	-\$0.035	75.9%
Outside County	32	\$1,548	5,553	\$1,989	\$1,989	\$1	\$0.279	\$0.358	-\$0.080	77.8%
Fees	39	\$7	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,618	6,130	\$2,073	\$2,072	\$1	\$0.264	\$0.338	-\$0.074	78.1%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$686	\$686	\$0	\$14.480	\$13.732	\$0.749	105.5%
Bound Printed Matter Flats	42	\$187	232	\$132	\$132	\$0	\$0.805	\$0.569	\$0.236	141.5%
Bound Printed Matter Parcels	43	\$284	221	\$248	\$248	\$0	\$1.284	\$1.120	\$0.164	114.7%
Media and Library Mail	44	\$287	85	\$317	\$317	\$0	\$3.363	\$3.713	-\$0.350	90.6%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,483	588	\$1,383	\$1,383	\$0	\$2.521	\$2.350	\$0.171	107.3%
U.S. Postal Service	125	\$0	463	\$0	\$0	\$0	\$0.000	\$0.000		
Free Mail	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.658		
Total Domestic Market Dominant Mail	135	\$47,897	151,535	\$25,921	\$25,801	\$120	\$0.316	\$0.171	\$0.145	184.8%
Special Services										
Ancillary Services										
Certified	51	\$714	0	\$593	\$593	\$0	\$3.101			
COD	52	\$4	0	\$2	\$2	\$0	\$9.414			
Insurance	54	\$100	0	\$73	\$73	\$0	\$3.861			
Registered Mail	55	\$29	0	\$18	\$18	\$0	\$17.337			
Stamped Envelopes	56	\$19	0	\$6	\$6	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$512	0	\$472	\$472	\$1	\$0.198			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$98	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$152	0	\$96	\$93	\$3	\$1.574			
Post Office Box Service	74	\$375	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,039	0	\$1,577	\$1,561	\$16	\$0.694			
Total Domestic Market Dominant Attributable Costs	143	\$49,936	151,535	\$27,498	\$27,362	\$136	\$0.323	\$0.178	\$0.145	181.6%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,350	\$8,232	\$118	\$3.832	\$2.656	\$1.176	144.3%
INTERNATIONAL MAIL AND SERVICES	185	\$3,059	869	\$1,895	\$1,831	\$64	\$3.520	\$2.181	\$1.339	161.4%
TOTAL ATTRIBUTABLE COSTS	198	\$65,042	155,547	\$37,743	\$37,425	\$318	\$0.410	\$0.238	\$0.172	172.3%
OTHER COSTS	199	\$820	0	\$34,823	\$35,141	-\$318				
TOTAL COSTS	200	\$65,863	155,547	\$72,566	\$72,566	\$0				

**US Postal Service
R2010-4R**

**Contribution by Class of Mail - FY2014 After Rates - Exigent (including CPI)
(January 26, 2014 Implementation)**

**Attachment 25
REVISED: 10/25/13**

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,822	19,924	\$5,163	\$5,126	\$37	\$0.493	\$0.259	\$0.234	190.2%
Single Piece Postcards	4	\$343	978	\$235	\$233	\$2	\$0.350	\$0.240	\$0.110	145.7%
Total Single Piece Letters and Cards	5	\$10,164	20,902	\$5,398	\$5,360	\$39	\$0.486	\$0.258	\$0.228	188.3%
Presort Letters	8	\$14,217	36,686	\$4,303	\$4,286	\$17	\$0.388	\$0.117	\$0.270	330.4%
Presort Postcards	9	\$587	2,293	\$181	\$179	\$1	\$0.256	\$0.079	\$0.177	325.2%
Total Presort Letters and Cards	10	\$14,805	38,980	\$4,483	\$4,465	\$18	\$0.380	\$0.115	\$0.265	330.2%
Flats	14	\$2,457	1,784	\$1,474	\$1,473	\$1	\$1.377	\$0.826	\$0.551	166.7%
Parcels	19	\$641	249	\$529	\$528	\$0	\$2.574	\$2.125	\$0.449	121.1%
Fees	18	\$136	0	\$0	\$0	\$0				
Total First-Class	100	\$28,202	61,915	\$11,884	\$11,826	\$58	\$0.455	\$0.192	\$0.264	237.3%
Standard Mail										
High Density and Saturation Letters	21	\$823	5,546	\$328	\$323	\$4	\$0.148	\$0.059	\$0.089	251.3%
High Density and Saturation Flats and Parcels	22	\$2,149	12,335	\$909	\$900	\$9	\$0.174	\$0.074	\$0.101	236.4%
Carrier Route	23	\$2,504	9,517	\$1,708	\$1,701	\$7	\$0.263	\$0.179	\$0.084	146.6%
Letters	25	\$9,984	47,835	\$4,926	\$4,889	\$36	\$0.209	\$0.103	\$0.106	202.7%
Flats	26	\$2,228	5,516	\$2,418	\$2,414	\$5	\$0.404	\$0.438	-\$0.034	92.1%
Not Flat-Machinables and Parcels	27	\$71	68	\$73	\$73	\$0	\$1.046	\$1.074	-\$0.028	97.4%
Fees	29	\$58	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,818	80,817	\$10,361	\$10,300	\$61	\$0.220	\$0.128	\$0.092	172.0%
Periodicals										
In County	31	\$65	575	\$83	\$83	\$0	\$0.114	\$0.144	-\$0.031	78.8%
Outside County	32	\$1,602	5,533	\$1,986	\$1,985	\$1	\$0.290	\$0.359	-\$0.069	80.7%
Fees	39	\$8	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,675	6,108	\$2,069	\$2,068	\$1	\$0.274	\$0.339	-\$0.064	81.0%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$687	\$687	\$0	\$14.500	\$13.749	\$0.751	105.5%
Bound Printed Matter Flats	42	\$191	229	\$131	\$131	\$0	\$0.832	\$0.570	\$0.261	145.8%
Bound Printed Matter Parcels	43	\$292	218	\$245	\$245	\$0	\$1.337	\$1.122	\$0.215	119.1%
Media and Library Mail	44	\$293	83	\$311	\$311	\$0	\$3.506	\$3.720	-\$0.213	94.3%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,501	581	\$1,373	\$1,373	\$0	\$2.584	\$2.363	\$0.221	109.3%
U.S. Postal Service										
Free Mail	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.659		
Total Domestic Market Dominant Mail	135	\$49,196	149,937	\$25,722	\$25,602	\$120	\$0.328	\$0.172	\$0.157	191.3%
Special Services										
Ancillary Services										
Certified	51	\$742	0	\$591	\$591	\$0	\$3.238			
COD	52	\$5	0	\$2	\$2	\$0	\$9.944			
Insurance	54	\$104	0	\$73	\$73	\$0	\$4.046			
Registered Mail	55	\$30	0	\$18	\$18	\$0	\$18.071			
Stamped Envelopes	56	\$20	0	\$7	\$7	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$507	0	\$441	\$441	\$1	\$0.204			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$101	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$156	0	\$96	\$93	\$3	\$1.617			
Post Office Box Service	74	\$389	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,089	0	\$1,544	\$1,528	\$16	\$0.735			
Total Domestic Market Dominant Attributable Costs	143	\$51,285	149,937	\$27,266	\$27,130	\$136	\$0.336	\$0.178	\$0.157	188.1%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,361	\$8,243	\$118	\$3.832	\$2.659	\$1.173	144.1%
INTERNATIONAL MAIL AND SERVICES	185	\$3,065	865	\$1,889	\$1,825	\$64	\$3.541	\$2.183	\$1.359	162.3%
TOTAL ATTRIBUTABLE COSTS	198	\$66,398	153,946	\$37,515	\$37,197	\$318	\$0.423	\$0.239	\$0.184	177.0%
OTHER COSTS	199	\$820	0	\$34,850	\$35,167	-\$318				
TOTAL COSTS	200	\$67,218	153,946	\$72,365	\$72,365	\$0				

US Postal Service

R2010-4R

Contribution by Class of Mail - FY2014 After Rates Exigent (including CPI) - Full Year
(October 1, 2013 Implementation)

Attachment 26

REVISED: 10/25/13

		Revenue (in millions)	Volume (in millions)	Attributable Cost (in millions)	Volume Variable Cost (in millions)	Product Specific Cost (in millions)	Revenue \$ (per piece)	Attributable Cost \$ (per piece)	Contribution \$ (per piece)	Cost Coverage
DOMESTIC MARKET DOMINANT PRODUCTS										
First-Class Mail										
Single Piece Letters	3	\$9,984	19,872	\$5,156	\$5,119	\$37	\$0.502	\$0.259	\$0.243	193.7%
Single Piece Postcards	4	\$346	977	\$235	\$233	\$2	\$0.354	\$0.241	\$0.114	147.2%
Total Single Piece Letters and Cards	5	\$10,330	20,849	\$5,391	\$5,352	\$39	\$0.495	\$0.259	\$0.237	191.6%
Presort Letters	8	\$14,371	36,447	\$4,280	\$4,263	\$17	\$0.394	\$0.117	\$0.277	335.8%
Presort Postcards	9	\$596	2,275	\$179	\$178	\$1	\$0.262	\$0.079	\$0.183	332.3%
Total Presort Letters and Cards	10	\$14,967	38,722	\$4,459	\$4,441	\$18	\$0.387	\$0.115	\$0.271	335.6%
Flats	14	\$2,496	1,777	\$1,469	\$1,469	\$1	\$1.405	\$0.827	\$0.578	169.9%
Parcels	19	\$653	245	\$521	\$521	\$0	\$2.665	\$2.127	\$0.538	125.3%
Fees	18	\$137	0	\$0	\$0	\$0				
Total First-Class	100	\$28,584	61,593	\$11,840	\$11,782	\$58	\$0.464	\$0.192	\$0.272	241.4%
Standard Mail										
High Density and Saturation Letters	21	\$829	5,499	\$325	\$321	\$4	\$0.151	\$0.059	\$0.092	254.8%
High Density and Saturation Flats and Parcels	22	\$2,165	12,227	\$902	\$893	\$9	\$0.177	\$0.074	\$0.103	240.0%
Carrier Route	23	\$2,529	9,426	\$1,693	\$1,686	\$7	\$0.268	\$0.180	\$0.089	149.3%
Letters	25	\$10,090	47,442	\$4,891	\$4,855	\$36	\$0.213	\$0.103	\$0.110	206.3%
Flats	26	\$2,253	5,469	\$2,401	\$2,396	\$5	\$0.412	\$0.439	-\$0.027	93.8%
Not Flat-Machinables and Parcels	27	\$72	67	\$73	\$72	\$0	\$1.068	\$1.076	-\$0.008	99.2%
Fees	29	\$59	0	\$0	\$0	\$0				
Total Standard Mail	105	\$17,997	80,130	\$10,285	\$10,224	\$61	\$0.225	\$0.128	\$0.096	175.0%
Periodicals										
In County	31	\$67	574	\$83	\$83	\$0	\$0.116	\$0.145	-\$0.029	80.2%
Outside County	32	\$1,629	5,523	\$1,985	\$1,984	\$1	\$0.295	\$0.359	-\$0.064	82.1%
Fees	39	\$8	0	\$0	\$0	\$0				
Total Periodicals	110	\$1,703	6,097	\$2,068	\$2,067	\$1	\$0.279	\$0.339	-\$0.060	82.4%
Package Services										
Single Piece Parcel Post	41	\$724	50	\$687	\$687	\$0	\$14.510	\$13.760	\$0.751	105.5%
Bound Printed Matter Flats	42	\$192	227	\$130	\$130	\$0	\$0.845	\$0.571	\$0.274	148.0%
Bound Printed Matter Parcels	43	\$294	216	\$242	\$242	\$0	\$1.365	\$1.124	\$0.241	121.5%
Media and Library Mail	44	\$294	82	\$306	\$306	\$0	\$3.580	\$3.724	-\$0.144	96.1%
Fees	49	\$2	0	\$0	\$0	\$0				
Total Package Services	115	\$1,507	575	\$1,365	\$1,365	\$0	\$2.621	\$2.375	\$0.247	110.4%
U.S. Postal Service										
Free Mail	125	\$0	463	\$0	\$0	\$0	\$0.000	\$0.000		
	130	\$0	52	\$34	\$34	\$0	\$0.000	\$0.660		
Total Domestic Market Dominant Mail	135	\$49,791	148,910	\$25,593	\$25,473	\$120	\$0.334	\$0.172	\$0.162	194.5%
Special Services										
Ancillary Services										
Certified	51	\$753	0	\$589	\$589	\$0	\$3.301			
COD	52	\$5	0	\$2	\$2	\$0	\$10.203			
Insurance	54	\$107	0	\$72	\$72	\$0	\$4.160			
Registered Mail	55	\$31	0	\$18	\$18	\$0	\$18.436			
Stamped Envelopes	56	\$20	0	\$7	\$7	\$0	\$0.000			
Stamped Cards	57	\$1	0	\$1	\$1	\$0	\$0.000			
Other Ancillary Services	58	\$504	0	\$426	\$425	\$1	\$0.206			
Address Management Services	61	\$16	0	\$7	\$0	\$7	\$0.000			
Caller Service	62	\$103	0	\$26	\$26	\$0	\$0.000			
Money Orders	73	\$157	0	\$96	\$93	\$3	\$1.637			
Post Office Box Service	74	\$395	0	\$275	\$270	\$5	\$0.000			
Other Special Services	76	\$0	0	\$0	\$0	\$0	\$0.000			
All Other Special Services	191	\$19	0	\$7	\$7	\$0	\$0.000			
Total Domestic Market Dominant Services	140	\$2,110	0	\$1,526	\$1,510	\$16	\$0.755			
Total Domestic Market Dominant Attributable Costs	143	\$51,900	148,910	\$27,119	\$26,983	\$136	\$0.342	\$0.179	\$0.163	191.4%
DOMESTIC COMPETITIVE PRODUCTS										
Total Domestic Competitive Mail	175	\$12,048	3,144	\$8,367	\$8,250	\$118	\$3.832	\$2.661	\$1.171	144.0%
INTERNATIONAL MAIL AND SERVICES	185	\$3,069	863	\$1,885	\$1,821	\$64	\$3.555	\$2.184	\$1.371	162.8%
TOTAL ATTRIBUTABLE COSTS	198	\$67,017	152,917	\$37,372	\$37,054	\$318	\$0.430	\$0.240	\$0.190	179.3%
OTHER COSTS	199	\$820	0	\$34,866	\$35,184	-\$318				
TOTAL COSTS	200	\$67,837	152,917	\$72,238	\$72,238	\$0				

REVISED: 10/25/13

Exigent (including CPI) Rate Changes

MAILING SERVICE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2014	FY2014	FY2014	FY2014	FY2014	FY2014
<u>January 26, 2014 Implementation</u>	Revenue	Volume	Attributable Cost	Contribution	Cost
	(000's)	(000's)	(000's)	(000's)	Coverage
First Class Mail					
Current Prices	\$ 27,419,815	62,444,044	\$ 11,956,315	\$ 15,463,501	229.3%
New Prices	\$ 28,202,217	61,914,930	\$ 11,884,330	\$ 16,317,886	237.3%
Change	\$ 782,401	(529,113)	\$ (71,984)	\$ 854,386	
Standard Mail					
Current Prices	\$ 17,375,949	81,856,429	\$ 10,474,828	\$ 6,901,121	165.9%
New Prices	\$ 17,817,585	80,817,485	\$ 10,361,230	\$ 7,456,356	172.0%
Change	\$ 441,636	(1,038,943)	\$ (113,599)	\$ 555,235	
Periodicals					
Current Prices	\$ 1,618,401	6,130,490	\$ 2,072,626	\$ (454,225)	78.1%
New Prices	\$ 1,675,234	6,107,956	\$ 2,069,022	\$ (393,788)	81.0%
Change	\$ 56,833	(22,534)	\$ (3,604)	\$ 60,437	
Package Services					
Current Prices	\$ 792,132	539,557	\$ 711,252	\$ 80,880	111.4%
New Prices	\$ 810,044	532,053	\$ 700,440	\$ 109,605	115.6%
Change	\$ 17,913	(7,504)	\$ (10,812)	\$ 28,724	
Total Domestic Special Services					
Current Prices	\$ 2,038,703	-	\$ 1,576,966	\$ 461,737	129.3%
New Prices	\$ 2,089,092	-	\$ 1,543,893	\$ 545,199	135.3%
Change	\$ 50,389		\$ (33,073)	\$ 83,462	
International					
Current Prices	\$ 596,795	576,179	\$ 758,755	\$ (161,960)	78.7%
New Prices	\$ 602,656	572,743	\$ 756,383	\$ (153,727)	79.7%
Change	\$ 5,861	(3,437)	\$ (2,372)	\$ 8,233	
Total Market Dominant Products (Current)	\$ 49,841,795	151,546,699	\$ 27,550,742	\$ 22,291,054	180.9%
Total Market Dominant Products (New)	\$ 51,196,828	149,945,167	\$ 27,315,297	\$ 23,881,530	187.4%
Differences	\$ 1,355,032	(1,601,532)	\$ (235,444)	\$ 1,590,477	

* Excludes Free Mail and US Postal Mail

Exigent (including CPI) Rate Changes

MAILING SERVICE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2014	FY2014	FY2014	FY2014	FY2014	FY2014
<i>October 1, 2013 Implementation</i>	Revenue	Volume	Attributable Cost	Contribution	Cost
	(000's)	(000's)	(000's)	(000's)	Coverage
First Class Mail					
Current Prices	\$ 27,419,815	62,444,044	\$ 11,956,315	\$ 15,463,501	229.3%
New Prices	\$ 28,583,660	61,592,619	\$ 11,840,379	\$ 16,743,281	241.4%
Change	\$ 1,163,845	(851,424)	\$ (115,935)	\$ 1,279,780	
Standard Mail					
Current Prices	\$ 17,375,949	81,856,429	\$ 10,474,828	\$ 6,901,121	165.9%
New Prices	\$ 17,996,710	80,129,918	\$ 10,285,054	\$ 7,711,656	175.0%
Change	\$ 620,761	(1,726,510)	\$ (189,775)	\$ 810,535	
Periodicals					
Current Prices	\$ 1,618,401	6,130,490	\$ 2,072,626	\$ (454,225)	78.1%
New Prices	\$ 1,703,297	6,097,057	\$ 2,067,845	\$ (364,548)	82.4%
Change	\$ 84,897	(33,433)	\$ (4,781)	\$ 89,678	
Package Services					
Current Prices	\$ 792,132	539,557	\$ 711,252	\$ 80,880	111.4%
New Prices	\$ 815,951	526,090	\$ 692,330	\$ 123,621	117.9%
Change	\$ 23,819	(13,467)	\$ (18,921)	\$ 42,740	
Total Domestic Special Services					
Current Prices	\$ 2,038,703	-	\$ 1,576,966	\$ 461,737	129.3%
New Prices	\$ 2,109,607	-	\$ 1,526,433	\$ 583,175	138.2%
Change	\$ 70,905		\$ (50,533)	\$ 121,438	
International					
Current Prices	\$ 596,795	576,179	\$ 758,755	\$ (161,960)	78.7%
New Prices	\$ 606,228	570,586	\$ 754,888	\$ (148,660)	80.3%
Change	\$ 9,433	(5,593)	\$ (3,867)	\$ 13,300	
Total Market Dominant Products (Current)	\$ 49,841,795	151,546,699	\$ 27,550,742	\$ 22,291,054	180.9%
Total Market Dominant Products (New)	\$ 51,815,454	148,916,271	\$ 27,166,929	\$ 24,648,525	190.7%
Differences	\$ 1,973,658	(2,630,428)	\$ (383,813)	\$ 2,357,471	

* Excludes Free Mail and US Postal Mail